

CITY OF BAXTER SPRINGS, KANSAS

Independent Auditor's Report
and Financial Statement with
Supplementary Information

For the Year Ended December 31, 2019

THE MENSE CPA FIRM, LLC
Certified Public Accountants

CITY OF BAXTER SPRINGS, KANSAS
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The Mense CPA Firm, LLC

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

To the Mayor and City Council
City of Baxter Springs, Kansas

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balance of the City of Baxter Springs, Kansas, a municipality, as of and for the year ended December 31, 2019 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Baxter Springs, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Baxter Springs, Kansas as of December 31, 2019, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting


In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Baxter Springs, Kansas as of December 31, 2019, and the aggregate receipts and expenditures for the year ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balance (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional

procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.



The Mense CPA Firm, LLC
Certified Public Accountants

Joplin, Missouri
July 9, 2020

CITY OF BAXTER SPRINGS, KANSAS
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2019

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	\$ 466,522	\$ -	\$ 1,884,117	\$ 1,731,539	\$ 619,100	\$ 59,621	\$ 678,721
Special Purpose Funds:							
Transient Guest	7,048	-	6,659	3,748	9,959	-	9,959
Special Highway	167,685	-	108,215	162,347	113,553	-	113,553
Library	13,519	-	122,332	116,089	19,762	-	19,762
Library Employee Benefits	2,017	-	18,227	17,333	2,911	-	2,911
Recreation	6,322	-	13,218	12,499	7,041	-	7,041
Museum	6,532	-	80,543	74,262	12,813	-	12,813
Industrial Development	918	-	2	-	920	-	920
Special Liability	84,928	-	15	-	84,943	-	84,943
Municipal Equipment Reserve	224,624	-	-	214,817	9,807	-	9,807
Municipal Equipment Reserve - Fire Department	-	-	45,698	-	45,698	-	45,698
Capital Improvement	50,199	-	-	38,700	11,499	-	11,499
Employee Benefits	340,375	-	254,176	375,989	218,562	-	218,562
Special Parks and Recreation	208	-	491	59	640	-	640
Fire Ordinance 711	-	-	13,700	12,626	1,074	-	1,074
Memorial	2,978	-	1,075	1,031	3,022	-	3,022
Public Improvement Sales Tax	280,136	-	497,813	67,799	710,150	3,000	713,150
Bond and Interest Funds:							
Debt Service	29,927	-	460,138	397,186	92,879	-	92,879
Business Funds:							
Water	874,467	-	995,712	1,257,383	612,796	28,146	640,942
Sewer	881,057	-	499,696	467,488	913,265	6,678	919,943
Refuse	42,902	-	242,289	236,394	48,797	-	48,797
Trust Funds:							
Cemetery Perpetual Care	64,802	-	400	-	65,202	-	65,202
Total Reporting Entity	\$ 3,547,166	\$ -	\$ 5,244,516	\$ 5,187,289	\$ 3,604,393	\$ 97,445	\$ 3,701,838
Composition of Cash:							
					Cash on Hand		\$ 1,240
					Checking Account - American Bank		3,595,183
					Checking Account - Baxter State Bank		527
					Cash on Hand with State Treasurer		104,888
					Total Reporting Entity		\$ 3,701,838

The notes to the financial statement are an integral part of this statement.

CITY OF BAXTER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I.A. INTRODUCTION

The City of Baxter Springs, Kansas, was incorporated in 1858 and operates as a second class city under the Statutes of the State of Kansas, (KSA 14-101 et. seq.). The City operates under a Mayor-Council form of government. Major services provided by the City include: Public Safety - Police and Fire, Highways and Streets, Sanitation, Health and Social Services, Culture - Recreation, Public Improvements, Planning and Zoning, and General Administrative Services. In addition, the City provides Water and Sewer Utility Services.

I.B. FINANCIAL REPORTING ENTITY

This financial statement presents the City of Baxter Springs, Kansas, (the municipality) as defined in K.S.A. 75-1117.

Related Municipal Entities: A related municipal entity is any legally separate municipal organization which was established to benefit the municipality or its' constituents. Related municipal entities are not required to be included in the City's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

Library Board. The City of Baxter Springs Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City. The City levies taxes for the Library.

Recreation Commission. The City of Baxter Springs Recreation Commission oversees recreation activities. The Recreation Commission operates as a separate governing body but the City levies taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928.

Museum Board. The City of Baxter Springs Museum Board oversees the museum. The City levies taxes for the Museum Board. Bond issues must be approved by the City.

CITY OF BAXTER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.C. REGULATORY BASIS FUND TYPES

The accounts of the City are organized into funds each of which is considered to be a separate accounting entity. The operations of each fund is summarized by providing a separated set of self-balancing accounts. The following fund types are used by the City:

General Fund—the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund—used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund—used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Business Fund—funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

Trust Fund—funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.)

CITY OF BAXTER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.D. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

I.E. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget.

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

CITY OF BAXTER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.E. BUDGETARY INFORMATION (CONTINUED)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, trust funds, and certain special purpose funds as noted in the presentation of the appropriate Schedule 2.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

I.F. ASSETS AND LIABILITIES

I.F.1. Cash and Investments

The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pool cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in time deposits.

Additional cash and investment information is presented in Note III.A.

CITY OF BAXTER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.G. RECEIPTS AND EXPENDITURES

I.G.1. Sales Tax

The City of Baxter Springs, Kansas levies a 1% sales tax on taxable sales within the City. The tax is collected by the Kansas Department of Revenue and remitted to the City. The tax is placed in the General Fund to provide city services. In addition the City levies a 1% sales tax for the purpose of operating and maintaining levels of emergency services, law enforcement, public safety and infrastructure. The tax is placed in a special purpose fund.

I.G.2. Property Tax

Property taxes are an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable one-half on December 20th and one-half on May 10th of the ensuing year. Unpaid taxes become delinquent after the due dates.

The assessed valuation of tangible property for the calendar year 2019 for the purposes of taxation was \$22,168,964.

The tax levy per \$100.00 of assessed valuation of tangible property for the calendar year was \$5.97. The levy is composed of the sum of the legal tax levies for all funds with authorized levies.

Collection of current year property tax by the County Treasurer is not completed, apportioned, nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. These taxes are used to finance budgeted expenditures for the succeeding year in accordance with Kansas Statutes.

I.G.3. Reimbursements

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis accounting.

CITY OF BAXTER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2019

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

II.A. STATUTORY COMPLIANCE

The Special Highway, Fire Ordinance 711, Water, Sewer and Refuse Funds expenditures exceeded budgeted limits. (K.S.A. 79-2935).

III. DETAILED NOTES ON FUNDS AND ACCOUNTS

III.A. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City does not designate "peak periods". All deposits were legally secured at December 31, 2019.

CITY OF BAXTER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2019

III. DETAILED NOTES ON FUNDS AND ACCOUNTS (CONTINUED)

III.A. DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2019, the City's carrying amount of deposits was \$3,595,710 and the bank balance was \$3,839,055. Ninety-nine percent of the bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,650 was covered by federal depository insurance and \$3,588,405 was secured by securities held by the pledging financial institutions' agents in the City's name.

III.B. RESTRICTED ASSETS

The following amounts in the following funds are restricted as follows:

General Fund -		
Municipal Court Bonds	\$	8,627
Vehicle Inspection Fees (Law Enforcement)		<u>3,710</u>
Totals	\$	<u><u>12,337</u></u>

CITY OF BAXTER SPRINGS, KANSAS
Notes to the Financial Statements
December 31, 2019

IV. LONG-TERM DEBT

Changes in long-term liabilities for the City of Baxter Springs, Kansas for year ended December 31, 2019 were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds:									
Series 2012	.40-1.75%	11/15/2012	\$ 1,805,000	8/1/2022	\$ 820,000	\$ -	\$ 200,000	\$ 620,000	\$ 11,675
Series 2013	.50-3.25%	9/15/2013	\$ 1,390,000	12/1/2024	765,000	-	130,000	635,000	19,250
Series 2018	3.00-3.625%	8/28/2018	\$ 530,000	12/1/1938	530,000	-	15,000	515,000	21,261
					<u>\$ 2,115,000</u>	<u>\$ -</u>	<u>\$ 345,000</u>	<u>\$ 1,770,000</u>	<u>\$ 52,186</u>
KDHE Loan									
Sewer Project	3.57%	4/11/2000	\$ 622,243	9/1/2021	\$ 98,040	\$ -	\$ 38,178	\$ 59,862	\$ 3,163
Capital Leases Payable:									
Fire Department - Scott SCBA Air packs (20)	2.95%	4/16/2015	\$ 119,070	4/16/2020	\$ 49,714	\$ -	\$ 24,496	\$ 25,218	\$ 1,466
Fire Department - Ford F-350	2.50%	5/5/2016	\$ 36,654	5/5/2019	4,210	-	4,210	-	22
Fire Department - Pierce Enforcer Pumper	3.98%	2/12/2016	\$ 473,689	3/12/2027	413,257	-	32,031	381,226	16,449
Special Highway and Sewer - Takeuchi Track Loader	2.50%	6/20/2016	\$ 102,400	6/13/2020	52,463	-	25,909	26,554	1,311
Special Highway - Case 580SN Backhoe and Loader	3.25%	3/1/2018	\$ 86,715	3/2/2022	86,715	-	20,652	66,063	2,818
Fire Department - Pierce FXT Tanker	3.49%	12/18/2019	\$ 270,130	12/18/2029	-	270,130	-	270,130	-
					<u>\$ 606,359</u>	<u>\$ 270,130</u>	<u>\$ 107,298</u>	<u>\$ 769,191</u>	<u>\$ 22,066</u>
Total Capital Leases Payable									
					<u>\$ 2,819,399</u>	<u>\$ 270,130</u>	<u>\$ 490,476</u>	<u>\$ 2,599,053</u>	<u>\$ 77,415</u>

CITY OF BAXTER SPRINGS, KANSAS
Notes to the Financial Statements
December 31, 2019

IV. LONG-TERM DEBT (CONTINUED)

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	Year										Total
	2020	2021	2022	2023	2024	2025-2029	2030-2034	2035-2038			
Principal:											
General Obligation Bonds	\$ 355,000	\$ 360,000	\$ 365,000	\$ 160,000	\$ 120,000	\$ 125,000	\$ 150,000	\$ 135,000	\$	\$	\$ 1,770,000
KDHE Loan	39,554	20,308	-	-	-	-	-	-	-	-	59,862
Capital Leases Payable	127,793	81,846	83,446	63,010	65,393	347,703	-	-	-	-	769,191
Total principal	\$ 522,347	\$ 462,154	\$ 448,446	\$ 223,010	\$ 185,393	\$ 472,703	\$ 150,000	\$ 135,000	\$	\$	\$ 2,599,053
Interest:											
General Obligation Bonds	\$ 42,669	\$ 36,064	\$ 28,660	\$ 21,462	\$ 16,981	\$ 61,875	\$ 40,029	\$ 12,506	\$	\$	\$ 260,246
KDHE Loan	1,787	362	-	-	-	-	-	-	-	-	2,149
Capital Leases Payable	62,349	22,609	21,009	17,975	15,592	30,464	-	-	-	-	169,998
Total interest	\$ 106,805	\$ 59,035	\$ 49,669	\$ 39,437	\$ 32,573	\$ 92,339	\$ 40,029	\$ 12,506	\$	\$	\$ 432,393
Total principal and interest	\$ 629,152	\$ 521,189	\$ 498,115	\$ 262,447	\$ 217,966	\$ 565,042	\$ 190,029	\$ 147,506	\$	\$	\$ 3,031,446

CITY OF BAXTER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2019

V. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City manages these various risks by carrying commercial insurance. There have been no significant reductions in insurance coverage. Settlements have not exceeded insurance coverage for the current or three prior years.

VI. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
General Fund	Municipal Equip Reserve Fund - Fire Dept.	KSA 12-1,117	\$ 45,698

VII. PENSION PLAN

Plan description

The City of Baxter Springs, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

CITY OF BAXTER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2019

VII. PENSION PLAN (CONTINUED)

Contributions (Continued)

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.89% for the fiscal year ended December 31, 2019. Contributions to the pension plan from City of Baxter Springs, Kansas were \$104,529 for the year ended December 31, 2019.

Net Pension Liability

At December 31, 2019, the City of Baxter Springs, Kansas's proportionate share of the collective net pension liability reported by KPERS was \$858,825. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The City of Baxter Springs, Kansas's proportion of the net pension liability was based on the ratio of the City of Baxter Springs, Kansas's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

VIII. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post Employment Benefits. As provided by K.S.A. 12-540, the City allows retirees to participate in the group health insurance plan. The retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

CITY OF BAXTER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2019

VIII. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONTINUED)

Death and Disability Other Post Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2019.

Compensated Absences. The City's policies regarding vacation and sick pay permit employees to accumulate a maximum of five weeks of vacation time and a maximum of 45 days of sick pay. Vacation time is paid to employees upon termination. Sick leave is forfeited upon termination. At December 31, 2019, management estimates that the value of accumulated vacation to not be material.

IX. TAX ABATEMENTS

Neighborhood Revitalization Program

The City has approved a Neighborhood Revitalization Program (NRP). Applicants must apply for the rebate during the five year program period. Applicants must meet the criteria of the program. There must be a minimum investment of \$5,000 for residential property and \$10,000 for commercial and/or industrial property, to receive the rebate.

Property taxes rebated under the NRP during 2019 were \$4,825.

CITY OF BAXTER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2019

IX. TAX ABATEMENTS (CONTINUED)

Other Tax Abatements

The City negotiates property tax agreements on an individual basis. The City has a tax abatement agreement with Day Six Pet Nutrition, L.L.C. The agreement exempts property from taxation as follows:

<u>Tax Year</u>	<u>Percentage of Abatement</u>
2014	100%
2015	100%
2016	100%
2017	100%
2018	80%
2019	60%
2020	40%
2021	40%
2022	20%
2023	20%

The amount of tax abated during 2019 was \$40,674.

In addition, the City has a tax abatement agreement with KMT Waterjet Systems, Inc. The agreement exempts property from taxation as follows:

<u>Tax Year</u>	<u>Percentage of Abatement</u>
2019	100%
2020	100%
2021	100%
2022	100%
2023	100%
2024	80%
2025	60%
2026	40%
2027	40%
2028	20%

The amount of tax abated during 2019 was \$9,359.

CITY OF BAXTER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2019

X. CONTINGENCIES

X.A. LITIGATION

During the ordinary course of its operations the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

X.B. GRANT PROGRAM INVOLVEMENT

In the normal course of operations, the City participates in various federal and state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

XI. SUBSEQUENT EVENTS

The Coronavirus (COVID-19) outbreak in the United States has resulted in reduced customer traffic and the temporary closure of operating hours for our offices. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the City as of the date of this report, management believes that a material impact on the City's financial position and results of future operations is reasonably possible.

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

**REGULATORY REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF BAXTER SPRINGS, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2019

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Funds:					
General	\$ 1,861,226	\$ 71,906	\$ 1,933,132	\$ 1,731,539	\$ (201,593)
Special Purpose Funds:					
Transient Guest	20,936	-	20,936	3,748	(17,188)
Special Highway	133,610	-	133,610	162,347	28,737
Library	116,089	-	116,089	116,089	-
Library Employee Benefits	17,333	-	17,333	17,333	-
Recreation	12,500	-	12,500	12,499	(1)
Museum	74,262	-	74,262	74,262	-
Industrial Development	883	-	883	-	(883)
Employee Benefits	467,012	-	467,012	375,989	(91,023)
Special Parks and Recreation	653	-	653	59	(594)
Fire Ordinance 711	10,000	-	10,000	12,626	2,626
Memorial	1,148	-	1,148	1,031	(117)
Public Improvement Sales Tax	1,168,055	-	1,168,055	67,799	(1,100,256)
Bond and Interest Funds:					
Debt Service	472,628	-	472,628	397,186	(75,442)
Business Funds:					
Water	810,103	-	810,103	1,257,383	447,280
Sewer	341,420	-	341,420	467,488	126,068
Refuse	230,000	-	230,000	236,394	6,394

CITY OF BAXTER SPRINGS, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 394,735	\$ 377,435	\$ 17,300
Delinquent Tax	15,230	10,100	5,130
Motor Vehicle Tax	50,970	37,506	13,464
Recreational Vehicle Tax	457	277	180
16/20 M Vehicle Tax	466	339	127
Commercial Vehicle Tax	585	271	314
Watercraft Tax	83	107	(24)
Sales Tax	811,156	737,719	73,437
Local Alcohol Liquor Tax	491	494	(3)
Grants	71,906	-	71,906
Fines	120,948	136,000	(15,052)
Community Building Fees	3,722	4,000	(278)
Vehicle Inspection Fees	8,080	9,000	(920)
Sale of Cemetery Lots	2,270	800	1,470
Grave Opening	8,150	9,000	(850)
Franchise Fees	294,658	275,000	19,658
Permits	1,035	900	135
Liquor Licenses	760	800	(40)
Cereal Malt Beverage Licenses	350	500	(150)
Swimming Pool Receipts	14,044	15,000	(956)
Animal Tags	207	300	(93)
Park and Camping Fees	1,465	3,000	(1,535)
Mowing and Weed Notices	4,892	1,500	3,392
Charges for Demolition	1,173	1,000	173
Charges for Fire Protection	45,698	-	45,698
Other	11,877	5,000	6,877
Interest	10,310	5,200	5,110
Sale of Property	10,000	-	10,000
Neighborhood Revitalization Rebate	(1,601)	(1,722)	121
Total Receipts	\$ 1,884,117	\$ 1,629,526	\$ 254,591
Expenditures:			
City Clerk	\$ 59,660	\$ 62,100	\$ (2,440)
Police	823,395	843,193	(19,798)
VIN Inspections (Law Enforcement)	17,570	31,512	(13,942)
Fire	162,545	156,618	5,927
Street	386,100	423,647	(37,547)
Community Services	14,750	11,550	3,200
Cemetery	66,016	72,675	(6,659)
Code Enforcement	32,306	48,874	(16,568)
Community Center	14,062	17,000	(2,938)
Swimming Pool	30,763	33,450	(2,687)
Capital Lease - Fire Equipment	25,962	25,962	-
Capital Lease - Fire Truck	4,232	12,695	(8,463)
Capital Lease - Fire Truck	48,480	48,480	-
Capital Lease - Street Backhoe	-	23,470	(23,470)
Operating Transfers	45,698	50,000	(4,302)
Qualifying Budget Credits	-	71,906	(71,906)
Total Expenditures	\$ 1,731,539	\$ 1,933,132	\$ (201,593)
Receipts Over (Under) Expenditures	\$ 152,578		
Unencumbered Cash, Beginning	466,522		
Unencumbered Cash, Ending	<u>\$ 619,100</u>		

CITY OF BAXTER SPRINGS, KANSAS
Transient Guest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts:			
Guest Tax	\$ 6,659	\$ 10,000	\$ (3,341)
Expenditures:			
Convention and Tourism	\$ 3,748	\$ 20,936	\$ (17,188)
Receipts Over (Under) Expenditures	\$ 2,911		
Unencumbered Cash, Beginning	7,048		
Unencumbered Cash, Ending	\$ 9,959		

CITY OF BAXTER SPRINGS, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts:			
State Highway Aid	\$ 108,215	\$ 107,440	\$ 775
Expenditures:			
Public Works	\$ 125,267	\$ 96,530	\$ 28,737
Capital Lease - Backhoe	23,470	23,470	-
Capital Lease - Track Loader	13,610	13,610	-
Total Expenditures	\$ 162,347	\$ 133,610	\$ 28,737
Receipts Over (Under) Expenditures	\$ (54,132)		
Unencumbered Cash, Beginning	167,685		
Unencumbered Cash, Ending	\$ 113,553		

CITY OF BAXTER SPRINGS, KANSAS
Library Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 104,082	\$ 99,527	\$ 4,555
Delinquent Tax	4,274	3,500	774
Motor Vehicle Tax	13,982	10,287	3,695
Recreational Vehicle Tax	125	75	50
16/20 M Vehicle Tax	108	93	15
Commercial Vehicle Tax	160	74	86
Watercraft Tax	23	29	(6)
Neighborhood Revitalization Rebate	(422)	(454)	32
Total Receipts	<u>\$ 122,332</u>	<u>\$ 113,131</u>	<u>\$ 9,201</u>
Expenditures:			
Appropriations to Library Board	<u>\$ 116,089</u>	<u>\$ 116,089</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ 6,243		
Unencumbered Cash, Beginning	<u>13,519</u>		
Unencumbered Cash, Ending	<u>\$ 19,762</u>		

CITY OF BAXTER SPRINGS, KANSAS
Library Employee Benefits Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 15,475	\$ 14,795	\$ 680
Delinquent Tax	647	550	97
Motor Vehicle Tax	2,105	1,548	557
Recreational Vehicle Tax	19	11	8
16/20 M Vehicle Tax	17	14	3
Commercial Vehicle Tax	24	11	13
Watercraft Tax	3	4	(1)
Neighborhood Revitalization Rebate	(63)	(68)	5
Total Receipts	<u>\$ 18,227</u>	<u>\$ 16,865</u>	<u>\$ 1,357</u>
Expenditures:			
Appropriations to Library Board	<u>\$ 17,333</u>	<u>\$ 17,333</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ 894		
Unencumbered Cash, Beginning	<u>2,017</u>		
Unencumbered Cash, Ending	<u>\$ 2,911</u>		

CITY OF BAXTER SPRINGS, KANSAS
Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 12,097	\$ 11,564	\$ 533
Delinquent Tax	359	400	(41)
Motor Vehicle Tax	780	574	206
Recreational Vehicle Tax	7	4	3
16/20 M Vehicle Tax	14	5	9
Commercial Vehicle Tax	9	4	5
Watercraft Tax	1	2	(1)
Neighborhood Revitalization Rebate	(49)	(53)	4
	<u>\$ 13,218</u>	<u>\$ 12,500</u>	<u>\$ 718</u>
Total Receipts			
Expenditures:			
Appropriation to Recreation Commission	<u>\$ 12,499</u>	<u>\$ 12,500</u>	<u>\$ (1)</u>
Receipts Over (Under) Expenditures	\$ 719		
Unencumbered Cash, Beginning	<u>6,322</u>		
Unencumbered Cash, Ending	<u>\$ 7,041</u>		

CITY OF BAXTER SPRINGS, KANSAS
Museum Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 68,805	\$ 65,787	\$ 3,018
Delinquent Tax	2,778	2,000	778
Motor Vehicle Tax	8,968	6,600	2,368
Recreational Vehicle Tax	80	48	32
16/20 M Vehicle Tax	73	60	13
Commercial Vehicle Tax	103	48	55
Watercraft Tax	15	19	(4)
Neighborhood Revitalization Rebate	(279)	(300)	21
Total Receipts	<u>\$ 80,543</u>	<u>\$ 74,262</u>	<u>\$ 6,281</u>
Expenditures:			
Appropriation to Museum Bond	<u>\$ 74,262</u>	<u>\$ 74,262</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ 6,281		
Unencumbered Cash, Beginning	<u>6,532</u>		
Unencumbered Cash, Ending	<u>\$ 12,813</u>		

CITY OF BAXTER SPRINGS, KANSAS
Industrial Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Delinquent Tax	\$ 2	\$ -	\$ 2
Expenditures:			
Economic Development	\$ -	\$ 883	\$ (883)
Receipts Over (Under) Expenditures	\$ 2		
Unencumbered Cash, Beginning	918		
Unencumbered Cash, Ending	\$ 920		

CITY OF BAXTER SPRINGS, KANSAS
Special Liability Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year ended December 31, 2019

Receipts:

Taxes and Shared Receipts:

Delinquent Tax	\$ 15
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Expenditures:

Insurance and liability payments	\$ -
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Receipts Over (Under) Expenditures	\$ 15
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Unencumbered Cash, Beginning	84,928
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Unencumbered Cash, Ending	<u>\$ 84,943</u>
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CITY OF BAXTER SPRINGS, KANSAS
Municipal Equipment Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year ended December 31, 2019

Receipts:	
Operating Transfers	\$ <u>-</u>
Expenditures:	
Capital Outlay	\$ <u>214,817</u>
Receipts Over (Under) Expenditures	\$ (214,817)
Unencumbered Cash, Beginning	<u>224,624</u>
Unencumbered Cash, Ending	<u><u>\$ 9,807</u></u>

CITY OF BAXTER SPRINGS, KANSAS
Municipal Equipment Reserve Fund - Fire Department
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year ended December 31, 2019

Receipts:	
Operating Transfers	<u>\$ 45,698</u>
Expenditures:	
Capital Outlay	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ 45,698
Unencumbered Cash, Beginning	<u> -</u>
Unencumbered Cash, Ending	<u><u>\$ 45,698</u></u>

CITY OF BAXTER SPRINGS, KANSAS
Capital Improvement Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year ended December 31, 2019

Receipts:	
Operating Transfers	<u>\$ -</u>
Expenditures:	
Capital Outlay	<u>\$ 38,700</u>
Receipts Over (Under) Expenditures	\$ (38,700)
Unencumbered Cash, Beginning	<u>50,199</u>
Unencumbered Cash, Ending	<u><u>\$ 11,499</u></u>

CITY OF BAXTER SPRINGS, KANSAS
Employee Benefits Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 197,233	\$ 188,696	\$ 8,537
Delinquent Tax	16,127	15,000	1,127
Motor Vehicle Tax	40,259	29,624	10,635
Recreational Vehicle Tax	361	217	144
16/20 M Vehicle Tax	469	268	201
Commercial Vehicle Tax	462	214	248
Watercraft Tax	65	85	(20)
Neighborhood Revitalization Rebate	(800)	(861)	61
Total Receipts	<u>\$ 254,176</u>	<u>\$ 233,243</u>	<u>\$ 20,933</u>
Expenditures:			
General Government	<u>\$ 375,989</u>	<u>\$ 467,012</u>	<u>\$ (91,023)</u>
Receipts Over (Under) Expenditures	\$ (121,813)		
Unencumbered Cash, Beginning	<u>340,375</u>		
Unencumbered Cash, Ending	<u>\$ 218,562</u>		

CITY OF BAXTER SPRINGS, KANSAS
Special Parks and Recreation
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Local Alcohol Liquor Tax	\$ 491	\$ 494	\$ (3)
Expenditures:			
Recreation	\$ 59	\$ 653	\$ (594)
Receipts Over (Under) Expenditures	\$ 432		
Unencumbered Cash, Beginning	<u>208</u>		
Unencumbered Cash, Ending	<u>\$ 640</u>		

CITY OF BAXTER SPRINGS, KANSAS
Fire Ordinance 711 Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts:			
Other	\$ 13,700	\$ 10,000	\$ 3,700
Expenditures:			
Public Works	\$ 12,626	\$ 10,000	\$ 2,626
Receipts Over (Under) Expenditures	\$ 1,074		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	\$ 1,074		

CITY OF BAXTER SPRINGS, KANSAS
Memorial Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Donations	\$ 1,075	\$ -	\$ 1,075
Expenditures:			
Culture	\$ 1,031	\$ 1,148	\$ (117)
Receipts Over (Under) Expenditures	\$ 44		
Unencumbered Cash, Beginning	<u>2,978</u>		
Unencumbered Cash, Ending	<u>\$ 3,022</u>		

CITY OF BAXTER SPRINGS, KANSAS
Public Improvement Sales Tax Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts:			
Sales Tax	<u>\$ 497,813</u>	<u>\$ 737,719</u>	<u>\$ (239,906)</u>
Expenditures:			
Capital Outlay	<u>\$ 67,799</u>	<u>\$ 1,168,055</u>	<u>\$ (1,100,256)</u>
Receipts Over (Under) Expenditures	\$ 430,014		
Unencumbered Cash, Beginning	<u>280,136</u>		
Unencumbered Cash, Ending	<u>\$ 710,150</u>		

CITY OF BAXTER SPRINGS, KANSAS
Debt Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 397,351	\$ 379,845	\$ 17,506
Delinquent Tax	6,868	500	6,368
Motor Vehicle Tax	56,288	41,419	14,869
Recreational Vehicle Tax	505	304	201
16/20 M Vehicle Tax	-	374	(374)
Commercial Vehicle Tax	646	299	347
Watercraft Tax	91	119	(28)
Neighborhood Revitalization Rebate	(1,611)	(1,733)	122
Operating Transfers	-	36,603	(36,603)
Total Receipts	<u>\$ 460,138</u>	<u>\$ 457,730</u>	<u>\$ 2,408</u>
Expenditures:			
Principle	\$ 345,000	\$ 345,000	\$ -
Interest and Fees	52,186	52,628	(442)
Cash Basis Reserve	-	75,000	(75,000)
Total Expenditures	<u>\$ 397,186</u>	<u>\$ 472,628</u>	<u>\$ (75,442)</u>
Receipts Over (Under) Expenditures	\$ 62,952		
Unencumbered Cash, Beginning	<u>29,927</u>		
Unencumbered Cash, Ending	<u>\$ 92,879</u>		

CITY OF BAXTER SPRINGS, KANSAS
Water Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges for Services	\$ 963,088	\$ 909,000	\$ 54,088
Sales Tax	21,155	-	21,155
Other	11,469	-	11,469
Total Receipts	<u>\$ 995,712</u>	<u>\$ 909,000</u>	<u>\$ 86,712</u>
Expenditures:			
Personal Services	\$ 407,404	\$ 400,000	\$ 7,404
Contractual Services	93,466	90,000	3,466
Commodities	213,334	215,000	(1,666)
Water Protection Fee	7,132	8,000	(868)
Sales Tax	21,056	15,500	5,556
Maintenance	119,697	5,000	114,697
Capital Outlay	3,807	35,000	(31,193)
Other	5,831	5,000	831
Capital Outlay - Water Project	385,656	-	385,656
Operating Transfers	-	36,603	(36,603)
Total Expenditures	<u>\$ 1,257,383</u>	<u>\$ 810,103</u>	<u>\$ 447,280</u>
Receipts Over (Under) Expenditures	\$ (261,671)		
Unencumbered Cash, Beginning	<u>874,467</u>		
Unencumbered Cash, Ending	<u>\$ 612,796</u>		

CITY OF BAXTER SPRINGS, KANSAS
Sewer Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges for Services	\$ 499,521	\$ 445,000	\$ 54,521
Other	175	-	175
Total Receipts	<u>\$ 499,696</u>	<u>\$ 445,000</u>	<u>\$ 54,696</u>
Expenditures:			
Personal Services	\$ 164,916	\$ 146,469	\$ 18,447
Contractual Services	15,283	35,000	(19,717)
Commodities	94,679	88,000	6,679
KDHE Loan Payment	41,341	41,341	-
Other	3,595	3,000	595
Maintenance	129,431	9,000	120,431
Capital Outlay	4,633	5,000	(367)
Capital Lease - Track Loader	13,610	13,610	-
Total Expenditures	<u>\$ 467,488</u>	<u>\$ 341,420</u>	<u>\$ 126,068</u>
Receipts Over (Under) Expenditures	\$ 32,208		
Unencumbered Cash, Beginning	<u>881,057</u>		
Unencumbered Cash, Ending	<u>\$ 913,265</u>		

CITY OF BAXTER SPRINGS, KANSAS
Refuse Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Charges For Services	<u>\$ 242,289</u>	<u>\$ 232,000</u>	<u>\$ 10,289</u>
Expenditures:			
Sanitation	<u>\$ 236,394</u>	<u>\$ 230,000</u>	<u>\$ 6,394</u>
Receipts Over (Under) Expenditures	\$ 5,895		
Unencumbered Cash, Beginning	<u>42,902</u>		
Unencumbered Cash, Ending	<u>\$ 48,797</u>		

CITY OF BAXTER SPRINGS, KANSAS

Cemetery Perpetual Care Fund

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year ended December 31, 2019

Receipts:

Sale of Cemetery Lots

\$ 400

Expenditures:

Public Works

\$ -

Receipts Over (Under) Expenditures

\$ 400

Unencumbered Cash, Beginning

64,802

Unencumbered Cash, Ending

\$ 65,202